

ORIGINAL

EXCEPTION



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BEFORE THE ARIZONA CORPORATION COMMISSION
COMMISSION DOCKET CONTROL

2016 NOV 15 P 2:50

COMMISSIONERS

DOUG LITTLE, Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

IN THE MATTER OF THE COMMISSION'S
INVESTIGATION OF VALUE AND COST OF
DISTRIBUTED GENERATION.

Docket No. E-00000J-14-0023

Arizona Corporation Commission

DOCKETED

NOV 15 2016

DOCKETED BY

GB

RESIDENTIAL UTILITY CONSUMER OFFICE'S EXCEPTIONS

TO

RECOMMENDED OPINION AND ORDER

1 The Residential Utility Consumer Office ("RUCO") submits the following Exceptions
2 to the Recommended Opinion and Order ("ROO").

3 **Summary.**

4 RUCO commends Judge Jibilian for the thoughtful Order. However, some
5 clarification and direction is needed to ensure successful implementation and a timely
6 conclusion of Phase 2 rate cases. RUCO is offering two amendments that accomplish this
7 and do not limit options that the Commission may want to consider in other proceedings.
8 Below is a summary of those modifications. Detailed rationale for the following refinements
9 can be found later in the document.

- 10 1. Designate Resource Comparison Proxy ("RCP") as the primary valuation
11 methodology to inform the immediate round of rate cases. To correct a
12 weighting error in the ROO, embed a 10% yearly decline in the starting
13 RCP figures presented on pages 116-117 of the ROO to account for
14 technology cost declines. These numbers and their associated decline
15 will guide Phase 2. As the ROO stated, the RCP figures will be updated to
16 the extent possible within rate cases to ensure the steps downs reset at
17 the most up to date utility scale prices.
- 18 2. The RCP shall not include storage related costs involved in future solar +
19 storage acquisitions utilities may make. The RCP also should not include
20 solar arrays intended for R&D purposes.
- 21 3. Findings in the ROO can (but are not required to) apply to both exports as
22 well as self-consumption of the PV system's output.

- 1 4. Within three years (in anticipation for the next rate case cycle), a 5 to 20
2 year avoided cost model should be created by Staff or under Staff
3 direction with the results considered by the Commission, including how to
4 weigh both methodologies (avoided cost and RCP).
- 5 5. The ROO mentions some implementation details for Phase 2 and
6 beyond. RUCO thinks it is extremely important to add the following:
7 Compensation should not be higher than current residential retail rates,
8 as of the date of this decision. Once the 5-year avoided cost method is
9 approved, it can serve as a floor if deemed appropriate. Finally, to provide
10 certainty to solar adopters, if the value methodology directly informs their
11 compensation level, they should be locked into the "sign-up date"
12 valuation level for 20 years.

13

14 These clarifications and added direction will successfully conclude this phase of the
15 docket and avoid further contention around methodology, all while setting parties up for
16 success in Phase 2. In the longer-term, using both the RCP and longer-term avoided cost
17 methods will help the Commission merge value based and cost based considerations,
18 when defining appropriate levels of DG compensation.

19

20 **Introduction.**

21 The ROO authored by Judge Jibilian is thoughtful and fair. The nearly three year
22 process has been long, difficult, and frankly exhausting. Many other states are currently
23 struggling to do the same thing because there is no blue print for doing so. RUCO is very

1 appreciative of Judge Jibilian's recommendations. The recommendations are based on
2 well-reasoned conclusions. By recommending a bold new way to value renewable energy,
3 Arizona will once again be a proactive leader in smart renewable energy policy.

4 RUCO has organized its exceptions as follows;

- 5 1. Significant positions in the ROO where RUCO is not in full agreement;
- 6 2. Changes to the ROO that will result in a better outcome for all parties; and
- 7 3. Significant positions in the ROO where RUCO is in full agreement.

8 9 **1) Significant Positions In The ROO Where RUCO Is Not In Full Agreement**

10 There are several aspects of the ROO that RUCO would recommend be clarified or
11 modified. First, RUCO would like to highlight one fairly significant oversight of the RCP
12 method as described in the ROO. In developing the RCP for each utility, when "[p]rojects
13 of recent vintage are not available for the utility, Staff shall use pricing data from available
14 industry sources for grid-scale solar PV projects, with priority given to projects in Arizona to
15 the extent available." This is a very common sense solution to a very likely problem.
16 However, this leaves the question of how the RCP method uses the pricing data.
17 Currently, the RCP weights each PPA based on characteristics of the PPA. One of the key
18 weightings of the RCP is based on the size of the PPA. However, when only "pricing data"
19 is used, there is no PPA size characteristic to properly weight the resource, thus the
20 current method underpinning the RCP formula is unable to account for this
21 shortcoming. In addition to this shortcoming, Staff has been reluctant to agree to update
22 this methodology on a yearly basis.

1 The second question is how updating actually gets carried out. "A five year rolling
2 weighted average of a utility's solar PPAs and utility-owned solar generating resources
3 used as a proxy for purposes of valuation of solar DG exports is reasonable if the valuation
4 is re-assessed in each electric utility rate case." VOS ROO at 167. The ROO uses the
5 language "five year rolling weighted average," but then states that one can only evaluate
6 the changes to the market in each rate case. VOS ROO at 151. The hallmark of the RCP
7 is that it is built on a cost based approach, specifically the utility scale solar market, which
8 changes yearly. RUCO believes that maintaining these yearly market based pricing
9 adjustments are critical to maintaining the integrity of the RCP

10 **By selecting a method that relies on market principles and then promptly**
11 **locking those market principles between rate cases, many of the benefits that made**
12 **the RCP the "most reliable and objective" methodology are lost.** The ROO states that
13 gradualism is the reason for only changing the compensation rate in between rate cases.
14 RUCO believes that only changing compensation rates during a rate case, is actually
15 contrary to the principle of gradualism. As an example, under the method of only changing
16 the rate in a rate case (assuming 4 years between rate cases) the compensation under the
17 RCP could look something like this. Year 1- \$11 c/kWh, Year 2 - \$11 c/kWh, Year 3 - \$11
18 c/kWh, Year 4 - \$11 c/kWh, and Year 5 - \$5 c/kWh. This method would result in four years
19 of \$11 c/kWh and then a drop to \$5 c/kWh. If a true five year rolling average, that changes
20 yearly, is adopted, the compensation rate of the RCP could look like this. (Illustrative
21 purposes only) Year 1- \$11 c/kWh, Year 2 - \$9.5 c/kWh, Year 3 - \$8 c/kWh, Year 4 - \$6.5
22 c/kWh, and Year 5 - \$5 c/kWh. There is a not so gradual decrease from \$11 cents to \$5
23 cents.

1 Using the proposed method, of only modifying compensation rates in rate cases, is
2 not consistent with the principle of gradualism. The solar industry will gladly accept four
3 years at a near retail rate, because at the end of those years, when the rate is scheduled
4 to drop by over 50%, they will come back seeking a lesser percentage decrease, so as to
5 not "kill solar." RUCO believes yearly step downs should be maintained as part of the
6 RCP. However RUCO is still concerned that the RCP has the potential to drop too far, too
7 fast, so as to not meet the "gradual transition" desired in the ROO. VOS ROO at 167.

8 RUCO agrees with the ROO, which states a "[l]ong-term forecasts should not be
9 used to establish the value of DG, due to the risk of inclusion of speculative benefits and
10 costs." VOS ROO at 166. RUCO's initial proposal was a 20 year avoided cost
11 methodology that did not include these types of speculative benefits and costs. RUCO's
12 reasoning for proposing a 20 year avoided cost methodology was to set the highest range
13 of possible value for DG, but then to set the compensation rate below the 20 year avoided
14 cost, to provide value to ratepayers and align more closely with cost based principles.
15 RUCO Br. at 10-11, citing to Tr. at 1483 (RUCO witness Lon Huber). RUCO Br. at 11.
16 Getting closer to cost based compensation, while not ignoring potential value and letting
17 the compensation rate move too low, is important.

18 RUCO does believe that developing a 20 year Avoided Cost methodology to use as a
19 "tool to help the Commission make reasonable and rational decisions" is a worthwhile
20 endeavor. This tool should not be used to set the compensation rate, rather it should be
21 used to inform the Commission and provide context. Vote Solar agrees with this assertion.
22 Vote Solar Br. at 8-9, 12. By developing a model that calculates the ROO recommended 5
23 year Avoided Cost, with the capability of calculating 10, 15, and a 20 year Avoided Cost,
24

1 would be relatively simple. These data points would be a valuable tool for the Commission
2 and will likely play a critical role in informing the actual compensation rate for solar
3 generation. Below RUCO will propose some ways in which the Commission may use the
4 output of the Avoided Cost model once it has been developed.

6 **2) Proposed Changes To The ROO That Will Result In A Better Outcome For All 7 Parties**

8 In response to many of the criticisms stated above, the following are RUCO's
9 proposed modifications to the ROO with the goal of using as much of the ROO as
10 possible, while still creating a fair and gradual transition to the actual compensation rate for
11 exported DG.

12 **Brief Overview**

13 Step 1 – Implement the RCP Methodology now, using the calculated RCP in this
14 proceeding as a starting point (10.9 cents/kWh for APS and 11.1 cents/kWh for TEP/UNS),
15 and implement common sense automatic yearly step downs of 10%, which aligns to
16 historical technology cost declines. VOS ROO at 116-117. Allow these rates to guide value
17 for all production of a solar PV system.

18 Step 2 – Implement a process to develop and approve a model to calculate a 5, 10,
19 15, and 20 year Avoided Cost methodology within three years in anticipation of the next
20 rate case cycle. Once the model is approved by the Commission, the 10, 15, and 20 year
21 Avoided Cost could then be used as a tool to help the Commission make reasonable and
22 rational decisions when setting compensation rates. The Commission may find it
23 appropriate to create a blended average, using the RCP and the 20 year Avoided Cost, to
24

1 make use of both methodologies. The Commission could then set the 5 year Avoided Cost
2 as the final, or lowest compensation rate a DG customer would receive.

3 **Detailed Plan**

4 RUCO proposes to immediately incorporate the RCP methodology as a guide for
5 compensation. The first year will be set as, the value stated in the ROO for each utility. By
6 agreeing to use the RCP values contained in the ROO as a starting point, litigation will be
7 minimized, specifically for Phase 2 of UNS Electric's and TEP's rate case. Using the RCP
8 as a starting point, automatic yearly step downs should be created to 1) capture yearly
9 cost declines, 2) resolve the data dilemma outlined above, 3) guard against the RCP
10 dropping too far, too fast, and 4) provide a predictable and stable transition to a blended
11 average between the RCP and a longer-term avoided cost method. RUCO proposes to
12 use a common sense yearly step down of 10%. This percentage is consistent with the
13 historical utility scale installation cost declines of 9.7% calculated using NREL data.¹
14 Consistent step downs, such as this, will guard against litigation over setting the Value of
15 Solar each year. It will also remove the administrative burden from Staff of being required
16 to develop the RCP annually or at each rate case. Below is an example of RUCO's
17 proposed step downs.

21
22 ¹ Fu R, Chung D, Davidson C, Lowder T, Feldman D, Ardani K, Margolis R. U. S. Solar Photovoltaic System
23 Cost Benchmark: Q1 2016, NREL Technical Report, Published September 2016, at 33. (attached as Exhibit

24 A)

Resource Comparison Proxy (RCP) w/ 10% Declines			
	APS	TEP/UNS	
Year 1	\$ 0.109	\$ 0.111	kWh
Year 2	\$ 0.098	\$ 0.100	kWh
Year 3	\$ 0.088	\$ 0.090	kWh

Once the RCP is in place, a process to develop an Avoided Cost model should be implemented by the Commission. This should take place over the next three years or before the next rate case cycle. Because the RCP will already be in place, there is no need for a hurried process to develop a model for calculating the avoided cost. Time can be spent to make sure that the model is correct. The model should include calculations for both a 5, 10, 15, and 20 year terms that includes the cost and benefit categories from Schedule A of the ROO. In addition to the costs and benefits included in Schedule A of the ROO, the Avoided Cost methodology should also account for negative market pricing and resource curtailment.

To stay consistent with the ROO, Staff should develop or hire an independent expert to develop the model ensuring that all assumptions and inputs are publicly available for other parties to comment. The process should include check-ins, deadlines, and a comment period. The model should be developed in such a way that it becomes an automatic methodology like the MCCCCG. The model should ultimately be approved by the Commission. Along with approving the model, the Commission will determine the appropriate implementation (i.e., implement immediately, do nothing, next annual step down, next rate case, etc.). RUCO recommends the 5 year Avoided Cost be adopted as

1 the floor or the lowest compensation rate a DG customer would receive. This allows the
2 RCP and possibly the 20 year Avoided Cost methodology to be implemented together in
3 such a way as to create a "glide path" to the 5 year Avoided Cost. A Commission vote on
4 the Avoided Cost methodologies, implementations (if any) and weightings (if any) should
5 occur within three years and before the next round of each utilities rate cases.

6 Whether or not the Commission agrees to RUCO's proposed implementation, a
7 critical aspect of the RCP is what utility scale assets are included in the model. Solar +
8 storage is the next phase of renewable energy. Utilities across the country are already in
9 the process of entering into PPA's that include both solar and storage. It is critical that
10 these assets not be used in the RCP calculation. By its nature, a solar + storage PPA will
11 be higher than a solar only PPA, because of the extra services being purchased. If solar +
12 storage PPA's were to be used in the RCP, rooftop solar customers would receive a higher
13 compensation rate because of the higher priced PPA's. Utilities will likely be reluctant to
14 enter into solar + storage PPA's as a result. Utilities should not be discouraged from
15 entering into PPA's for solar + storage, so as to not increase rooftop solar compensation.
16 Similarly, the RCP should not include PPA's utilities enter into for solar arrays intended for
17 R&D purposes. These types of PPA's would also likely increase the compensation
18 because of the increased costs. Utilities should not be discouraged from entering into
19 these types of contracts for fear of overpaying rooftop solar customers.

20 The ROO attempts to limit the methodology to only apply to DG exports. RUCO
21 strongly urges the Commission to allow the methodology that is approved in this docket to
22 apply to both DG exports and DG self-consumption. There seems to be confusion over the
23 purpose of this docket. Many of the arguments against applying the methodology in this
24

1 docket to both DG exports and DG self-consumption, seems to be more related to the
2 compensation structures and rates, not the value of each. RUCO believes the purpose of
3 this docket is to create a methodology for valuing solar production, both DG exports and
4 DG self-consumption, rather than set a compensation rate. Whether or not the
5 compensation rate applies to exports or self-consumption should be part of a rate case,
6 where the actual compensation rate will be set.

7 Allowing the methodology to apply to both exports and self-consumption will keep
8 us all from litigating this issue in the near future. Here's why, using a simple scenario and
9 assuming the methodology only applies to exports, if in a utility's next rate case the export
10 rate is set to the RCP rate of 11.1 cents/kWh, and the utility proposes a rate plan with a 5.9
11 cents/kWh offset (self-consuming rate), what will happen? The solar industry will argue
12 that 5.9 cents/kWh is too low of compensation because it is less than half the price of the
13 export rate of 11.1 cents/kWh. The utility will argue that it is priced correctly because it is
14 based on proper rate design principals, and cost of service analysis. How will the parties
15 value the DG self-consumption portion of the rate? There will be no methodology to value
16 DG self-consumption, because this three year protracted Value of Solar docket will have
17 only valued half the solar production, exports. A new proceeding will have to be convened,
18 one closely mirroring this proceeding, this time to develop a methodology for valuing self-
19 consumption.

20 There is little sense in only valuing half of power generated by DG customers. At
21 least two Commissioners alluded to this in their letters to this and other dockets. The best
22 solution is to simply allow the methodology developed in this proceeding to apply both DG
23 exports and DG self-consumption. Then, in the subsequent rate cases, at least a valuation
24

1 method will be in place to aid in setting the compensation rate, whether it applies only to
2 exports or to both. Following RUCO's suggestion will put more control in the
3 Commission's hands and avoid a complex web of different proceedings that each
4 tackle only half of a PV system's production.

6 Implementation Details

7 The ROO makes many recommendations for implementation, from only evaluating
8 changes in the methodologies at rate cases to grandfathering. The likely reason why is
9 that implementation of the methodology is almost as important as the methodology itself.
10 For this reason, RUCO is proposing a number of implementation details as well. These
11 details are critical to a successful implementation of the Value of Solar methodology.

12 To start, compensation should not exceed the volumetric portion of the default
13 residential rate for each utility, which is a customer with average energy consumption, as
14 of the decision date of the Value of Solar docket. This will act as the ceiling or highest point
15 of DG compensation.

16 Because the compensation rate will be gradually transitioning, until the Avoided
17 Cost is implemented, DG customers taking service under the standalone RCP
18 compensation structure will be locked into the rate for 20 years. The rate lock-in will follow
19 the system rather than the customer in the event of a change in ownership. The purpose
20 for this is similar to the principle of grandfathering. For the foreseeable future, the
21 compensation rate for DG customers will be changing. Such volatility will likely be fatal to
22 solar installations in the state, at least until the rate stabilizes. By locking the rate in during
23 the transition period, needed certainty for solar installations will be achieved. The
24

Commission can readdress whether they want to continue locking in the rate when the Avoided Cost methodology is implemented.

Like the RPS Credit option recently approved in the UNS Electric rate case, RUCO recommends that the methodology be allowed to inform either exports measured on hourly basis, or the customer's entire generation.

3) Significant Positions in the ROO Where We Are In Full Agreement

The ROO contains a number of very significant and positive policy statements such as addressing net metering banking which according to the ROO 'should eventually be eliminated and replaced'. Further, 'the valuation should be used to inform compensation,' which is consistent with RUCO's position that compensation for DG should not be necessarily directly linked to "value," but instead used as a guide to help inform compensation levels. Next, the ROO states that 'there is a need for a valuation of DG methodology that will provide a gradual transition away from the current net metering model.' RUCO supports the use of a gradual transition away from the current net metering model to something closer to cost based payments (e.g. the minimum amount ratepayers must pay that still is sufficient to procure DG). The difficult part is developing a transition that moves quick enough to give much needed relief to non-DG ratepayers who are currently subsidizing DG ratepayers, yet gradual enough to allow the solar industry to evolve and thrive in a subsidy free environment.

The ROO found that the "[v]aluation of DG exports should be based on an avoided cost methodology." There is no industry standard avoided cost methodology for valuing DG. One could argue that developing a specific avoided cost methodology was the original intent of this docket. A number of avoided cost methodologies were proposed and

1 evaluated as part of this proceeding. The ROO settles on a more traditional 5-year avoided
2 cost methodology and a type of avoided cost proxy, the RCP.

3 The ROO states, as a general policy, the “[u]se of utility-scale solar obligations
4 represents the most reliable and objective avoided cost proxy for rooftop solar and
5 diminishes concerns for the inclusion of societal and environmental factors and other
6 externalities in valuing solar DG exports.” By recommending both the RCP, a market
7 informed cost based approach, and the 5-Year Avoided Cost, a value based approach, the
8 Judge has signaled that each approach is suitable for valuing solar DG exports. However,
9 based on the policy statement above, the ROO finds that the RCP, which is a based on
10 “utility-scale solar” contracts is “the most reliable and objective” for “valuing DG exports.”
11 RUCO believes this is the most significant policy statement in the ROO because it
12 establishes that a cost based approach, using utility-scale solar contracts, is more reliable
13 and objective than a value based approach, such as the five year Avoided Cost. Next the
14 ROO makes a general policy statement that “[r]ooftop solar DG customers are partial
15 requirements customers who export power to the grid.” VOS ROO at 169. RUCO has been
16 arguing this point for years. RUCO fully supports this policy decision and looks forward to
17 continue advocating for placing partial requirement DG customers in separate rate classes.

18 RUCO supports the policy statement concerning grandfathering. In reality, the
19 policy statement likely did not need to be part of this proceeding. Using an often quoted
20 line from the solar industry “it should be a Phase 2 issue,” as it is not part of developing a
21 methodology for valuing solar. With that said, RUCO has always supported grandfathering
22 existing DG customers. However, RUCO also believes that solutions moving forward
23 should not be reliant on the Commission grandfathering future DG customers.

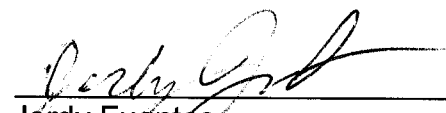
1 RUCO generally does not get involved with issues related to Cooperatives.
2 Because of the overlap in this proceeding, RUCO takes no position on the policy
3 statement, giving flexibility to Cooperatives.

4 Finally, the ROO posits that the "[e]nvironmental benefits and costs of DG should be
5 considered in an avoided cost forecast, but should not be duplicated if they are already
6 considered in the IRP process and in operating costs." VOS ROO at 166-167. RUCO
7 vigorously supports this statement. RUCO also recommends that costs related to negative
8 pricing and curtailment should also be included in any avoided cost forecast. This will
9 ensure that ratepayers are not paying for the same resource twice.

10
11 **Conclusion**

12 For the reasons stated above RUCO believes the Commission should adopt its
13 recommendations.

14
15
16 RESPECTFULLY SUBMITTED this 15th day of November, 2016.

17
18 
19 Jordy Fuentes
20 Counsel
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22
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RUCO AMENDMENT 1

INCLUSION OF SELF-CONSUMPTION AND EXPORTS IN THE VALUE OF DG

Summary: Approval of this amendment will allow the methodology for valuing DG to apply to both exports and self-consumption for energy produced by DG customers. Setting the actual compensation rate and deciding whether or not to apply the compensation rate to exports or self-consumption, will be determined in each utility's rate case.

Page 166, Lines 19, 20

DELETE: "exports"

Page 166, Lines 21

DELETE: "for their exports"

Page 166, Lines 23, 24, 25

DELETE: "exports"

Page 167, Lines 8, 11, 13, 16

DELETE: "exports"

Page 170, Line 10, 14, 19

DELETE: "exports"

Page 171, Line 3

DELETE: "export"

****Make all conforming changes**

RUCO AMENDMENT 2

FUTURE ASSESSMENT AND EVALUATION OF THE VALUE OF DG

Summary: Approval of this amendment will result in the approval of RUCO's proposed changes to the ROO which include 1) implement the RCP with 10% yearly step downs to start the transition to the actual value of solar, 2) develop a process to develop and approve a model to calculate the 5, 10, 15, and 20 year Avoided Cost, 3) use the 5 year Avoided Cost as the lowest compensation a DG customer will receive while using current retail rates as the maximum cap, 4) lock in DG customers for 20 years, and 5) exclude certain utility scale assets from being included in the RCP.

Page 166, Line 21

After "customers." INSERT: "Compensation should not exceed the volumetric portion of the default residential rate for each utility which is a customer with average energy consumption as of the decision date of the Value of Solar docket."

Page 166, Lines 20

INSERT: "both exports and self-consumption"

After "rates" INSERT: "measured on an hourly basis"

Page 166, Line 26

After "be" INSERT: "the primary methodology"

Page 167, Line 18

DELETE: "143. A re-assessment of the value of DG in each electric utility rate case in order to inform compensation rates to be paid for DG exports precludes the need for the implementation of a separate step-down mechanism."

Page 167, Line 22

DELETE: "both"

1 **Page 167, Line 25**

2 After "years)." INSERT: "In addition, the use of Staff's Avoided Cost methodology with
3 forecasting views of 10, 15, and 20 years, are also valuable tools and should be evaluated and
4 considered by the Commission when setting the valuation of DG."

5 DELETE: "both"

6 INSERT: "a methodology based on"

7 **Page 168, Line 1**

8 After "Exhibit A" INSERT: "in addition to the costs and benefits related to negative market pricing
9 and resource curtailment"

10 **Page 168, Line 7**

11 After "parties." INSERT: "The development of the electronic spreadsheet and its implementation
12 will occur within the next three years in anticipation of the next cycle of rate cases. The
13 Commission will decide how to implement it and what weight it shall receive. In the interim the
14 Resource Comparison Proxy methodology will serve as the methodology for the valuation of DG.
15 Customers taking service prior to the implementation of the Avoided Cost methodology. Customers
16 should be locked into their compensation rate, to the extent it is directly derived from the valuation,
17 for 20 years. The rate lock should apply to the system not the owner."

18 **Page 168, Line 12**

19 DELETE: "If projects of recent vintage are not available for the utility, Staff shall use pricing data
20 from available industry sources for grid-scale solar PV projects, with priority given to projects in
21 Arizona to the extent possible."

22 **Page 168, Line 17**

23 After "parties." INSERT: "It is inappropriate for utility scale assets that are related to solar +
24 storage and other solar arrays for R&D purposes to be included in the calculation of this
methodology. Using the values calculated using the electronic spreadsheet and referenced in herein
a 10% step down shall be applied thereby reducing each year by 10% until the next rate case when
the methodology will be reset."

Page 168, Line 19

DELETE: "value of DG methodologies rely"

INSERT: "Resource Comparison Proxy methodology relies"

Page 170, Line 14

After "described" INSERT: "in the Determinations"

Page 170, Line 17

DELETE: "value of DG methodologies rely"

INSERT: "Resource Comparison Proxy methodology relies"

Page 170, Line 18

After "forth" INSERT: "in the Determinations"

Page 170, Line 19

After "described" INSERT: "in the Determinations"

**** Make all conforming changes**

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16 not consented to email service

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EXHIBIT A

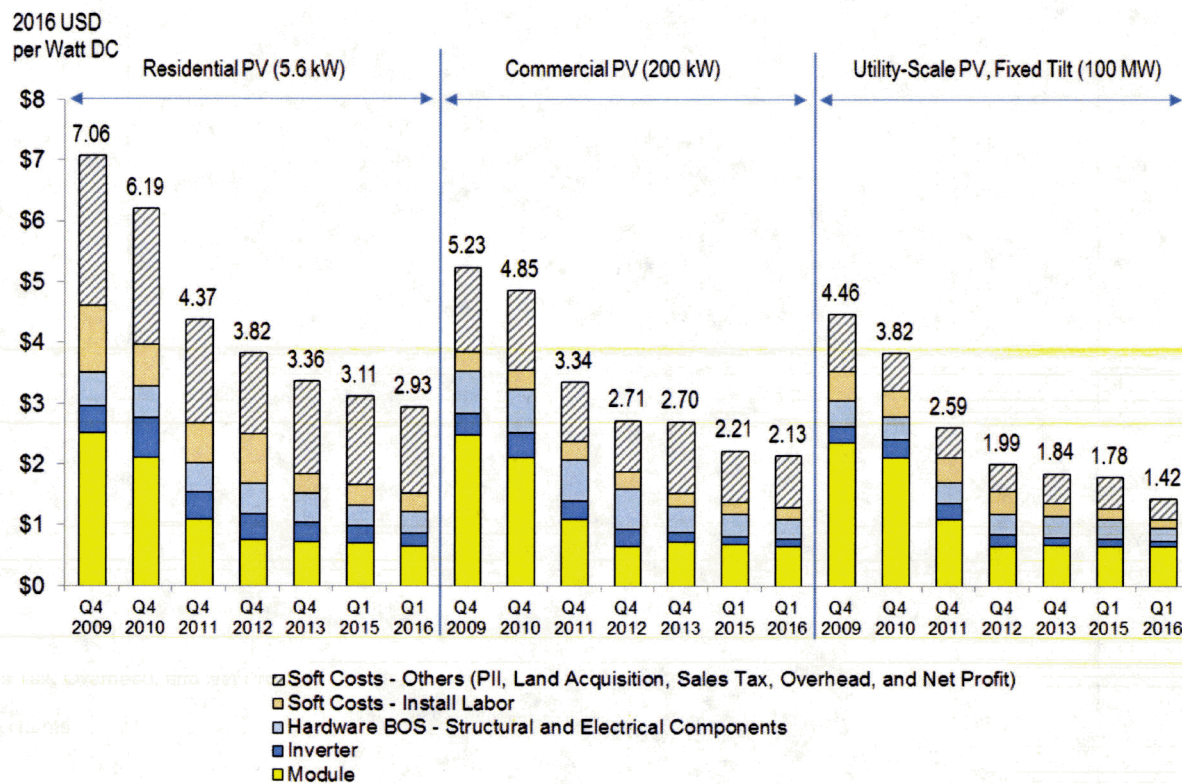


Figure 25. NREL PV system cost benchmark summary (inflation adjusted), Q4 2009–Q1 2016